



KHPA Board Retreat Summary
June 18/19, 2008

Welcome and Introductions by Connie Hubbell, Board Chair

- Dr. Mark Thompson, Project Director, KS Department of Education
- Linda Sheppard, Director of Accident/Health Division, KS Insurance Department
- Steve Schramm, Consultant with schrammraleigh Health Strategy

An Overview of Health Reform by Steve Schramm, Consultant with schrammraleigh

Slide Presentation. This presentation outlined a health reform process timeline, comparing five states (Kansas, Indiana, Minnesota, Missouri, and Wisconsin) with number of years for health reform legislation to be proposed, passed into law, and implemented. Also included was a comparison among these five states of health reform components in terms of cost, quality, and access.

Five-State Cost Comparison (Indiana, Kansas, Minnesota, Missouri, Wisconsin). This document outlined Plan Type, Monthly Premium, Deductible, Coinsurance Rate, Additional Policy Benefits, and Regulatory/Market Factors for the five states listed above.

Health Reform Summary. This document described the various components of reform recently enacted or being implemented in 18 states (California, Colorado, Connecticut, Iowa, Illinois, Indiana, Massachusetts, Maine, Minnesota, Missouri, New Mexico, New York, Oregon, Pennsylvania, Texas, Vermont, Washington, Wisconsin).

Health Reform: Panel Presentation, moderated by Steve Schramm

Panelists: 1) Jerry Slaughter, Executive Director of the Kansas Medical Society, Topeka KS
2) Ken Daniel, CEO of Midway Wholesales, Topeka KS
3) Peter Hancock, Kansas Public Radio, Topeka KS
4) Dennis Lauver, President of the Salina Chamber of Commerce, Salina KS
5) Brenda Sharpe, Pres/CEO, REACH Healthcare Foundation, Kansas City KS
6) Corrie Edwards, Exec Director, KS Health Consumer Coalition, Topeka KS

Summary of Panel Presentation. This summary is attached as a separate document.

Note: Retreat handouts are available on the KHPA Board website: www.khpa.ks.gov.

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Health Reform: Review of the 2008 Legislative Session – Dr. Barb Langner, Policy Director

KHPA 21 Recommendation Legislative Report Card. This one-page summary listed the 21 health reform recommendations, categorizing each recommendation as either: a) Transforming Medical Care; b) Improving Public Health; or c) Expanding Affordable Insurance. The document was color-coded to show those recommendations which had been passed by 2008 Legislature but without funding; those which did not pass during the 2008 session; and those recommendations passed and funded by the 2008 Legislature.

Staff Recommendations for Implementing KS Health Reform Compromise Legislation (Hse Sub for SB 81). This document summarized the following: a) description each of the elements of House Sub for SB 81, b) the cost estimates (if applicable) or if legislative study was requested, c) the amount of funding provided at Omnibus, and d) an outline of KHPA staff's recommendations which identified those elements ready to implement, those elements requiring additional use of grant funds due to cost of studies, and those elements being referred to outside agencies. Those reform elements passed and funded at Omnibus included:

- Improving school health coordination through the Coordinated School Health Program, with \$550,000 funded. This is a program administered by the KS Department of Health and Environment (KDHE).
- Expanding Medicaid eligibility for pregnant women to 200% FPL (approximately \$28,000 annual income for a single mom), with \$460,000 SGF funded. Staff recommendation was to implement this expansion.
- Increasing funding for Safety Net Clinics, with \$2.5 million SGF funded. This is another program administered by KDHE.
- Providing funds for Graduate Medical Education, with \$1.5 million SGF appropriated directly through the health reform bill, to be administered by the University of Kansas Medical Center (KUMC).

Assignment of Potential 2008 Legislative Studies – Hse Sub for SB 81. This document identified the number of potential legislative studies with the passage of Hse Sub for SB 81 and included KHPA recommendation for possible assignment of studies to outside agencies, such as Dept of Revenue, KS Insurance Dept, Office of Inspector General, and the Legislature.

- **Discussion Highlights:** Chair Hubbell asked that members of the Joint Committee on Health Policy receive a report of the KHPA Board Retreat decisions. Dr. Langner advised that KS Legislative Research Division will be notifying KHPA of the agency assignments to these legislative studies in the very near future, at which time the Board will be notified and the list of studies will be prioritized. She added that all studies are due to the legislative committee by November 1, 2008. A brief discussion was held regarding the possibility of contacting a national foundation for assistance with funding specific health reform initiatives. However, using a national foundation as a funding source would pose a concern with sustainability of the program as well as federal regulations governing that program.

Board Discussion: Health Reform 2008, facilitated by Rob Kaplan

Summary of Board Discussion. This summary of health reform efforts 2007-2008 is attached and includes the members' feedback on: a) what worked well and what were some of the accomplishments? b) what advice would you have or what did not work well? And c) what were some of the disappointments or challenges?

Review of KHPA Draft Strategic Plan, facilitated by Scott Brunner, Chief Financial Officer

KHPA Draft Strategic Plan. This document contained draft agency goals, objectives, measures, and strategies related to policies, programs, and staff, to be used for planning and prioritizing for the next three to five years.

There were three draft agency goals described:

Draft Goal #1. KHPA will advance a consistent, coordinated health policy agenda informed by rigorous data analysis and stakeholder education and input.

Draft Goal #2. KHPA will become a model agency, through best practice leadership and management, creating a coveted place to work.

Draft Goal #3. KHPA programs and services will be recognized and measured as innovative, efficient, and effective.

Discussion Highlights:

- Goal #1 describes coordination of health policy and promotion of data-driven policy and emphasizes stakeholder education and input – a) need to integrate health data sets through “dashboards” and reformulate health reform recommendations; b) need to review a process for gathering feedback from other cabinet agencies, especially in terms of reform.
- Goal #2 relates to internal agency operations and becoming a model agency – a) investing in own staff; b) developing culture of health and professionalism; c) continuing to improve using best practice management; d) need staff who are engaged and committed; f) align with success given the mission of KHPA.
- Goal #3 focuses on the efficient and effective administration of KHPA programs and services – a) focus on quality of the service provided by KHPA; b) opportunities to maximize efficiencies; c) utilize health technology; d) develop analyses of programs (Note: Medicaid program reviews are currently being completed); e) classic business process improvement; f) establish management/financial planning and reporting structures.
- For long-term planning, KHPA should consider more emphasis on communication and messaging.
- Board members agreed that the goals described above were appropriate and requested staff to begin the process to finalize the agency strategic plan. More specifics will be shared at the August 2008 KHPA Board meeting, with a final plan for Board review and approval by December 2008.

Next Steps: KHPA FY 2010 Budget by KHPA Executive Team

→ FY 2010 Preliminary Budget Proposals. This document briefly described a number of KHPA preliminary proposals for the Medicaid and Data Policy Division, the Finance and Operations Division, and those proposals related to health reform as outlined below.

From the Medicaid and Data Policy Divisions:

1. Aged and Disabled Care Management Project Planning, which would develop a care management program for the aged and disabled population within Kansas Medicaid.
2. Expand Medicaid Coverage for Parents/Caretakers, which would provide Medicaid coverage to low-income parents with incomes up to 50% of the federal poverty level (\$715 per month for a family of three) by expanding eligibility for the parent-caretaker program.
3. Enhance Medicaid for the Elderly and Disabled, which would increase the income limit and eliminate the asset test for the Medically Needy program (part of Kansas Medicaid) and expand enrollment in the Medicare Savings Plans.

4. Employer Sponsored Insurance (ESI) for HealthWave/SCHIP, which would help low-income families pay for job-based health insurance when it is available and provides coverage roughly similar to HealthWave/SCHIP.
5. Fee-for-Service (FFS) Quality Measures, which would develop quality measures in the FFS Medicaid program.
6. Provide targeted Medicaid outreach through health clinics, which is similar to a policy passed by the 2008 legislature but not funded.
7. Re-price Durable Medical Equipment, which would develop a manual pricing methodology for such equipment.
8. Automated Prior Authorization System Initiative, which is a less-extensive version of a budget proposal provided to the 2008 legislature that was not funded and would implement an automated PA system for pharmaceuticals.
9. Contract for a Transportation Broker, which would administer transportation services delivered through Kansas Medicaid.

From the Finance and Operations Division:

10. External Facing Web Server, which would provide for an agency to have its own web-server.
11. Internal Audit Services Enhancement, which would provide for an internal auditing contract.

Health Reform Policies:

12. Increase the Tobacco Products Tax, which is identical to the proposal offered to the 2008 Legislature and would increase the tax on a package of cigarettes by \$.50 to \$1.29, beginning on July 1, 2009.
13. Statewide Smoking Ban, which is identical to the proposal offered to the 2008 Legislature and would enact a statewide smoking ban in public places.
14. Implement a Statewide Community Health Record, which is identical to the proposal offered to the 2008 legislature and would advance a statewide “Community Health Record” for Kansas.
15. Assist small businesses in the purchase of affordable insurance, which would help small employers better access to health insurance by establishing a reinsurance program to spread the risk of high health care costs and make improvements to the state’s high risk pool.
16. Medical Home in Medicaid and State Employee Health Plan, which would implement a “medical home” model of health care services for those individuals for Kansas Medicaid and the State Employee Health Plan.

→ FY 2010 Preliminary Budget Proposals – Cost Estimates. A table of cost estimates for the FY 2010 budget proposals was reviewed with the Board. This included the 16 proposals listed above, as well as:

- Tobacco Cessation for Medicaid Recipients (funded by consensus caseload per 2008 Legislature)
- Dental Care for Pregnant Women on Medicaid (funded by consensus caseload per 2008 Legislature)
- Citizenship/Documentation requirement for HealthWave/SCHIP (requesting Supplemental funding)
- Contract for Medicaid Payment Error Rate Measurement (PERM) Program (requesting Supp funding)
- The table of cost estimates will be brought back to August 2008 Board meeting with additional estimates included.

<p>Discussion Highlights:</p> <ul style="list-style-type: none"> • It was suggested that a Subcommittee be created to pull together a number of recommendations and potential reforms and initiatives in the Medicaid program. These recommendations will include input from outside agencies such as SRS and Aging as well. However, it was noted that SRS and Aging’s recommendations would most likely be presented as a policy report to the legislative committee rather than include with KHPA bill for Medicaid reform.
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- Program reviews are currently being completed by Medicaid staff for a number of programs. These reviews focus on Medicaid spending, cost-savers, and program integrity and will be a tool for the Medicaid Transformation Subcommittee.
- The additional requirement for citizenship verification for those individuals receiving HealthWave/SCHIP services will be an administrative hurdle and a challenge for the agency. Additional staffing will be required at the Clearinghouse to avoid a backlog in applications as was the experience last year.
- Under the Health Reform proposals, it was requested that the proposal related to providing coverage for young adults be added back into the Small Business proposal.
- Provider tax and long-term care reform should be part of the reform discussions. Review best practices and money saved by other states.
- Provider tax will be a major issue for 2009 Legislature, along with Medicaid Reform.
- Request was made to bring back report showing breakdown of baseline staffing and what additional staffing will be needed if additional proposals are passed.

Next Steps for Health Reform 2009

Outreach and Education:

- ≈ Advisory Councils will meet in August to review proposed KHPA budget and health reform plans for 2009; additional meetings for remainder of 2009 will be held as well.
- ≈ Community Tours will be scheduled for September/October 2008 to meet with community leaders; public townhalls will be held at each location.
- ≈ Health 101 Tours will be scheduled for November 2008 to meet specifically with legislators to provide more education on health reform efforts and KHPA.

Creation of KHPA Subcommittee on Transforming Medicaid:

- ≈ A Subcommittee will be created to develop recommendations on cost-savings, program improvements, and potential new revenue sources in the Kansas Medicaid Program. Committee members will be Board members and KHPA staff, and the Committee will meet several times during July/August, in order to bring their recommendations to the August 19th Board meeting. Members were asked to contact Dr. Andy Allison if interested in serving.

Media Strategies:

- ≈ Options for funding for outside media resources will be developed and discussed with the Board at the August Board meeting.
- ≈ A communication matrix will be developed by KHPA and will include 3-5 recommended contacts provided by Board members for additional outreach and presentation opportunities.

Health Reform and Budget Proposals:

- ≈ Board consensus was to include the following health reform recommendations (Health Reform I) for 2009 Legislature approval:

- Increase Tobacco Products Tax
- Statewide Smoking Ban
- Expand Medicaid Coverage for Parents/Caretakers (amended from the previous Premium Assistance component)
- Tobacco cessation for all Medicaid recipients
- Implement Community Health Record
- Small Business Initiatives (add the Young Adults coverage back into this proposal)
- Medical Home in Medicaid and State Employee Health Plan

- ≈ Board will review the revised health reform package as well as additional policies from Medicaid, Data Policy, and Finance/Operations at August 19, 2008 Board meeting.
- ≈ Board will review recommendations from the Medicaid Transformation Subcommittee at the August Board meeting.
- ≈ Suggestions for additional proposals for the Health Reform II package (to be finalized in May 2009) were:
 - Medicaid Transformation Subcommittee recommendations
 - Nursing Provider Tax
 - Expanded coverage to possibly include children under age of 5, seniors living below poverty, veterans and families
- ≈ Use 2009 legislative session to complete Health Reform I (described above).

Public Comments and Announcements:

- Dr. Ira Stamm provided a few remarks to the Board.
- An announcement was made that the KHPA Human Capital and Compensation Committee would briefly meet following the end of 6-18-08 Board Retreat.